

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
HAWAII ELECTRIC LIGHT COMPANY, INC. ) 2015-0170  
 )  
For Approval of General Rate Case and )  
Revised Rate Schedules and Rules )  
\_\_\_\_\_ )

LIFE OF THE LAND &

PUNA PONO ALLIANCE

NOTICE OF INTENT

TO FILE JOINT MOTION TO INTERVENE

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Aloha Commissioners.

Life of the Land (“LOL”) and Puna Pono Alliance (“PPA”) herein file notice of their intent as file a joint (“LOL PPA”) motion to intervene in Hawai‘i Electric Light Company (“HELCO”) rate case, docket 2015-0170.

Life of the Land and Puna Pono Alliance are cognizant that the Public Utilities Commission has granted intervention to non-governmental entities in electric utility rate cases on only three occasions: Life of the Land in the 1971 Hawaiian Electric Company (HECO) rate case (docket no. 1971, since renumbered 1971-0048), Essex House Condominium Corporation on behalf of Kauai Marriott Resort & Beach Club in the 2009 Kauai Island Utility Cooperative (“KIUC”) rate case (docket no. 2009-0050), and Life of the Land in the 2012 Hawai‘i Electric Light Company (“HELCO”) rate case (docket no. 2012-0099).

Nonetheless, the issues are critical in this proceeding, and we herein notify our intent to intervene.

Life of the Land is a community action group that, since 1971, has intervened in numerous commission proceedings involving both policy and specific projects. LOL is concerned about cost, reliability, cultural impacts, economic diversification, environmental impacts, externalities, geographic concentration, and environmental justice.

Puna Pono Alliance supports environmentally safe, culturally sensitive, economically viable, and sustainable energy alternatives for Hawai'i County. Puna Pono Alliance is the main organization seeking geothermal safeguards, regulation and oversight.

Life of the Land and Puna Pono Alliance were both intervenors in NextEra Energy's proposed acquisition of the Hawaiian Electric Companies, in docket 2015-0022. Life of the Land and Puna Pono Alliance are both intervenors in the Hawaiian Electric Companies Power Supply Improvement Plans docket 2014-0183.

## BACKGROUND

Life of the Land ("LOL") filed a Notice of Intent to intervene in the Hawai'i Electric Light Company ("HELCO") rate case, docket 2012-0099, on October 24, 2012, and subsequently filed a motion to intervene on November 8, 2012. The Public Utilities Commission issued Order 30957 on January 24, 2013 denying LOL's motion to intervene, but granted LOL participant status.

The Commission's Order noted in part,

LOL specifically identifies an array of questions and concerns in seeking to intervene, including ratepayer impacts; the aggregation of HELCO's Renewable Portfolio Standards ("RPS") with HECO; HELCO's use of fossil fuels, biofuels, and geothermal energy; the Smart Grid concept, path, and components; cost containment measures; the widening gap between HELCO's excess

supply of electric vs. customer demand; transparency in cost data; who is at fault for HELCO's electricity prices; energy justice; HELCO's load curve; opportunity cost; environmental compliance; system reliability; and economic impacts. LOL also asserts that: (1) it has no other available means by which to protect its interests; (2) HELCO and the Consumer Advocate do not represent its interests, which are unique environmental interests that differ from the general public's interests; and (3) it will assist the commission in developing a sound evidentiary record.

The commission, upon review, denies LOL's Motion to Intervene. Instead, the commission grants LOL participant status, limited to the following specific issues:

1. The appropriate metrics by which to assess HELCO's performance and the reasonableness of HELCO's proposed revenue requirements and rate design.
2. The reasonableness of HELCO's power supply portfolio and the prudence in which these resources are utilized, including:
  - A. Operational practices for the commitment and dispatch of HELCO and independent power producer generating units as it relates to minimizing energy costs.
  - B. Compliance with RPS as it relates to the acquisition of new and the utilization of existing renewable energy resources.

C. Compliance with federal and state environmental regulations as it relates to fuel and operation and maintenance expenses for HELCO fossil fuel generators.

D. The amount of generation resources on the HELCO power system as it relates to potential excess generation capacity (reserve margin).

3. The reasonableness of HELCO's proposed rate design and pricing mechanisms.

LOL's participation is limited to these specific issues and only to the extent that these issues affect HELCO's test year and beyond revenue requirements, rate design, or related tariffs.

The commission's supporting reasons in identifying these specific issues in relationship to the questions and concerns raised by LOL in its Motion to Intervene are as follows

For Issue No. 1

LOL identifies a number of issues that should be considered in reviewing HELCO's request for a general rate increase. The commission, pursuant to HRS §§ 269-6(b) and 269-16, has an obligation and duty to thoroughly review all aspects of an electric utility's revenue requirements in a rate case proceeding. In this regard, the commission will benefit from the Parties' and LOL's input as to the criteria by which to review and assess HELCO's operations.

For Issue No. 2

LOL has intervened or participated in dockets or activities that bear directly on the revenue requirements of HELCO's power supply portfolio activities, including integrated resource planning, the Reliability Standards Working Group ("RSWG"), renewable energy power purchase contracts, and fuel supply contracts.

For Issue No. 2A

LOL identifies fossil fuel usage, reliability, and economic impacts as potential issues that affect HELCO's customers.

For Issue No. 2B

LOL identifies HELCO's potential acquisition and utilization of renewable energy resources in excess of the forty percent 2030 statutory RPS level (HRS § 269-92(a)(4)) as a potential issue that could have an adverse rate impact on HELCO's customers.

For Issue 2C

LOL identifies "environmental compliance" as an issue to be considered in the subject proceeding. Specifically, LOL suggests that a cost-benefit analysis be used to examine whether ratepayers should be responsible for financing environmental compliance plans.

For Issue 2D

LOL identifies electricity supply and demand as an issue to be considered in the subject proceeding.

For Issue No. 3

LOL identifies HELCO's load curve and other issues related to how individual customers may be affected by HELCO's proposed rate increase and rate design.

The commission, in granting LOL participant status in lieu of intervention, specifically finds and concludes as follows:

1. LOL is a forty-two-year community-based, environmental organization that has a history of participating in the development of sound jurisprudence in the State of Hawaii. In addition, LOL has and currently participates in a number of energy-related proceedings before the commission.

2. LOL represents a unique and substantive interest in the specific issues identified by the commission in Section II.B.1. above {HAR § 6-61-56(c)(1)}, i.e., a "colorable claim" in these specific issues. LOL's interests in this regard may not necessarily be represented by the Consumer Advocate (HAR § 6-61-56(b)(4)), the sole non-applicant party in this proceeding.

3. LOL sufficiently demonstrates that it possesses the requisite expertise, knowledge, or experience to aid the commission in developing a sound docket record by submitting an affirmative case on these specific issues, consistent with HAR § 6-61-56(c)(5) and (6).

4. Conversely, the issues raised by LOL in its Motion to Intervene are limited in scope. Thus, consistent with the commission's applicable rule governing participation (HAR § 6-61-56(b)), LOL has a "limited interest" in the subject proceeding which does not necessarily encompass all

of the issues raised by HELCO in its Application. Under these circumstances, participation in lieu of intervention is warranted for LOL.

7. LOL has already assisted the commission by raising and identifying in its Motion to Intervene, substantive issues that could potentially affect HELCO's revenue requirements and rate design. The commission would not be meeting its statutory duty of protecting the public interest of HELCO's ratepayers if it did not, at a minimum, consider the issues identified by LOL in its underlying motion.

8. To reiterate, LOL has intervened or participated in dockets or activities that bear directly on the revenue requirements of HELCO's power supply portfolio activities, including integrated resource planning, RSWG, renewable energy power purchase contracts, and fuel supply contracts. LOL's intervention or participation in these related proceedings is also relevant to the commission's review and adjudication of HELCO's revenue requirements and the electric utility's request to increase its rates and charges.

18. Moreover, in the context of a contested case, a "full hearing" is "one in which ample opportunity is afforded to all parties to make, by evidence and argument, a showing fairly adequate to establish the propriety or impropriety, from the standpoint of justice and law, of the step asked to be taken[.]" In In re Kauai Elec. Div. of Citizens Util. Co., 60 Haw. 166, 181-183, 590 P.2d 524 (1978), the Hawaii Supreme Court ("Court") held that the electric utility was afforded a full and fair hearing prior to the commission's issuance of its interim rate increase

order. The Court found that the commission's interim order "was not issued until after all parties had been given ample opportunity to obtain and present all their evidence, to present testimony, both written and oral, to cross examine witnesses, and to argue the issues on the merits before the Commission. " The Court also noted that the commission held ten days of hearing prior to the issuance of its interim order.

20. In In re Hawaiian Elec. Co., Inc., 56 Haw. 260, 262-265, 535 P.2d 1102, 1104-1106 (1975), the commission denied LOL's request to intervene in HECO's application for a rate increase, and instead, granted LOL participant status. On appeal, the Court found that the commission did not abuse its discretion in denying LOL's motion for intervention. The Court also held that LOL, as a participant, had the requisite standing to appeal the commission's decision under the circumstances of that particular case. The Court, by necessary implication, concluded that the commission did not abuse its discretion in granting LOL participant status in lieu of intervention.

21. Similarly herein, the commission, acting within its discretionary authority and consistent with the public interest, grants LOL participant status, limited to the specific issues. LOL, in effect, has demonstrated its: (A) unique and substantive interest in these specific issues; and (B) ability to meaningfully participate in the specific issues identified by the commission, thereby warranting its participation herein.

On March 27, 2013 the Commission issued Order No. 31133, closing the docket.

“On March 8, 2013, the commission approved the Parties' written request to suspend the subject proceeding pending the commission's issuance of its written decision on the global settlement agreement letter filed by Hawaiian Electric Company, Inc. ("HECO"), HELCO, Maui Electric Company, Limited (collectively, the "HECO Companies"), and the Consumer Advocate on January 28, 2013, in In re Hawaiian Elec. Co., Inc., Docket No. 2008-0083 ("Docket No. 2008-0083"), HECO's 2009 test year rate case. By the global settlement agreement letter, "the HECO Companies agree to undertake certain actions in lieu of completing the commission-mandated independent regulatory audits for: (1) HECO's [Campbell Industrial Park Combustion Turbine Unit 1] Project; and (2) the HECO Companies' [Customer Information System] Project. One of the agreed-upon actions is that HELCO agrees to withdraw its pending application for a general rate increase in the subject proceeding, Docket No. 2012-0099. On March 19, 2013, the commission, in Docket No. 2008-0083, approved the global settlement agreement letter, subject to certain clarifications and conditions.' The commission, thus, approved the withdrawal of HELCO's application, filed on August 16, 2012, in the subject proceeding, Docket No. 2012-0099. Given the withdrawal of HELCO's application, the commission closes this docket.”

#### THE INSTANT DOCKET

On June 15, 2015 HELCO file a motion in the newly established docket no. 2015-0170 asking the Commission for permission to delay its rate case filing.

Hawai'i Electric Light last filed an application for approval of a general rate increase and revised rate schedules and rates on August 16, 2012 in Docket No. 2012-0099 (Hawai'i Electric Light's 2013 test year rate case)." The next rate case in the triennial rate case cycle would be a Hawai'i

Electric Light 2016 test year rate case to be filed in 2015... Hawai'i Electric Light's rate case filing will be based on factors such as the operations and maintenance expenses and investments in plant and equipment estimated for the 2016 test year... Hawai'i Electric Light will not implement any of the rate changes that may be proposed in its application until after its application is filed and reviewed by the Commission and the Consumer Advocate, and the Commission issues an interim or final decision and order on the application and approves or modifies the proposed rates.

On November 19, 2015 the Commission granted the extension. On August 18, 2016 the Commission issued Order No. 33881 to re-open docket 2015-0170, instructing HELCO to file by December 31, 2016.

September 12<sup>th</sup>, 2016 in Honolulu, Hawai'i

s HENRY Q CURTIS

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PUBLIC UTILITIES  
COMMISSION

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